

Moscow, July 30, 1963.

MEMO: to the President
from Orville L. Freeman, Sec'y of Agriculture, re Tour of Soviet Union

We have just completed a 16 day tour of the Soviet Union. We visited state and collective farms in widely differing areas, as well as research institutes and plants for the manufacture of farm machinery. I have brought your greetings to groups of farmers and workers on the average of 5 times a day. Radio coverage has been good; and it Minck, last Sunday, I appeared for half an hour of television discussion, in which I was able to get in a plug for American agriculture and our system of private ownership and individual initiative.

The specialists who are with me have probed deeply into their respective fields of economics, farm management, science and research, public administration, politics, public information, and agricultural engineering. It has been exhausting, but useful.

I can make certain points by way of preliminary evaluation, with a more complete report after we conclude our trip. I will transmit, as soon as it can be prepared, a detailed report of the two hour conference that our delegation had with Chairman Khrushchev this noon.

Politics and Propaganda

We have had very cordial and friendly reception everywhere. I have proceeded as I would on a campaign tour, shaking hands, visiting and speaking at every opportunity. On each occasion I have brought your greetings and an expression of friendship. Without exception the response has been enthusiastically friendly. We have not encountered a single instance of hostility or resentment.

The people of the USSR are consumed with a burning desire for peace. The strength of this emotion cannot be overemphasized. It is equally strong at all levels, in and out of government.

The nuclear test agreement just signed has been received with universal approval here. I would strongly urge that, in the light of current attitudes, every resource be utilized to reach the people of the Soviet Union with the message that the American people want peace and friendship, and that the President of the United States is a great leader for peace.

People here have been so conditioned that they quite honestly find it hard to believe that the "ruling classes" of the U.S. really want peace. Therefore any progress we can make along this line, especially at this time -- when they are printing lengthy quotes from the President of the United States -- can bring nothing but positive advantage.

If the U.S. Senate is to be at all sticky about ratifying the agreement, intensive effort should be made to explain our procedures and to make clear that any such stickiness does not mean that the American people or the American government are any less interested in peace. The Soviet people will react negatively to anything short of quick and widespread support for that they regard as an important step toward peace. Among the people, to whom memories of Nazi occupation and destruction are still very real, the desire for peace is all-consuming, and other things are secondary.

I am convinced that the Exchange program is getting results. Soviet citizens who have been in the U.S. are proud of it, and their attitude is much more receptive. I have urged on every occasion that they send more visitors to the U.S., both official and tourist. They are anxious to come. I believe we ought to liberalize our visitor exchange program as much as possible on the basis of reciprocal liberalization by the Soviet Union. On balance, we would gain in the all important area of public understanding, as we could give members of this closed society a view of the free world.

Agriculture

We find Soviet agriculture deficient in many respects, particularly in animal husbandry and in fruit and vegetable production, and these deficiencies result in a diet too high in cereals, and sugar!

We have been shown some of the best farms our hosts had to offer, and on these farms we saw substantial progress in field crops generally, in terms of mechanization and improved seed and cultural practices -- and improved yields. The "New Lands" policy, that brought 80 to 100 million acres of new land into production is, on balance, a success in achieving the immediate purpose -- which was rapidly increased production of field crops.

Food costs are one third more than in the U.S., altho the State pays almost double what our farmers get for most commodities. Nevertheless, the people are not hungry -- altho they may lack protein and variety according to our standards.

On balance, the performance on those selected farms we have been shown is better than I had expected. This performance does not, of course, reflect over-all production. But it does indicate potential. Agriculture does not lend itself readily to regimentation, but by dogged persistence, trial and error, and strong emphasis on incentives (incentives of position, of cash, of bonuses on a "piece work" basis, of moral and psychological sanctions), they seem to be evolving a fairly successful pattern. In my judgment it will never match the results we get from the incentives of individual ownership and initiative that characterize our family farm system. But they have abundant labor, and -- at present -- relatively limited demands as consumers. Accordingly it would be my present estimate that Soviet agriculture could continue to be inefficient by our standards and yet not remain a factor that would critically limit economic progress. I believe it is important that we watch and analyze their agricultural progress as carefully and accurately as we can. We could find them competing with us for world grain markets.

Some Highlights on Khrushchev Conference (details follow later)

1. K. is overwhelmingly eager to launch an intensive fertilizer program, and wants to buy fertilizer plants from us, altho he points out that, if not, he can get them elsewhere. It would be my judgment that we should grant such licenses. He wants to buy numerous plants -- not only fertilizer but feed and insecticide.

We think he overestimates what fertilizer will do, and underestimates the problem of effective application of fertilizer after it is produced.

2. K. indicated he would turn from competition in production of rockets to competition in production of food. "We have enough rockets ... we want to produce more food."
3. K. reacted positively to expanded exchange program.

We proceed now to the other countries. I will forward brief reports. I will then prepare a comprehensive report in greater depth on our findings after we return to the United States.

Handwritten note added by OLF:

- look forward to reviewing with you personally.
- I feel they have more potential than our experts acknowledge.
- Mr. K is way out on fertilizers & this may be a mistake because it takes more "doing" than he realizes.
- Garst has really sold him a bill of goods.
- the more capital they invest here the better.
- from a geopolitical standpoint they can feed their people bread. We need to stimulate the desire for more than "bread alone" & this is an excellent chance to do so. We ought to move aggressively accordingly.
- More to follow
- A "different" Soviet Union than in Stalin days
- Mr. K gave us 2 hours and but seemed tired and without the zip I had expected. Keep the pressure on.